

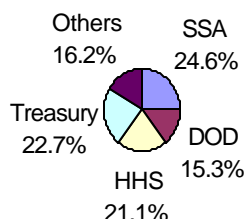
Financial Management Highlights At-a-Glance

FY 1999 Budget:

HHS FY 1999 Net Outlay Budget as Compared to Total Federal: 21.1% (Compared to 21.2% in FY 1998.)

HHS FY 1999 Net Outlays: \$359.6 billion
(Compared to \$350.6 billion in FY 1998.)

Federal FY 1999 Outlays by Agency



Departmentwide Financial Statement Audit:

FY 1999 Audit Opinion: Unqualified ("Clean")
(FY 1998 Opinion was Qualified)

FY 1999 Qualifications: 0
(Compared to 2 in FY 1998)

Auditor's Report on Internal Controls:

FY 1999 Material Weaknesses: 3
(Compared to 3 in FY 1998)

FY 1999 Reportable Conditions: 4
(Compared to 5 in FY 1998)

Report on Compliance with Laws and Regulations:

FFMIA Instances of Non-Compliances:

- Accounting systems not adequate to prepare reliable and timely financial statements;
- Lack of an Integrated Financial System at the Medicare Contractor and change process for recognizing Medicare Secondary Payer (MSP) receivables; and
- EDP Systems Control weaknesses at HCFA's Central Office, Medicare contractors, and the Payroll System.

FMFIA:

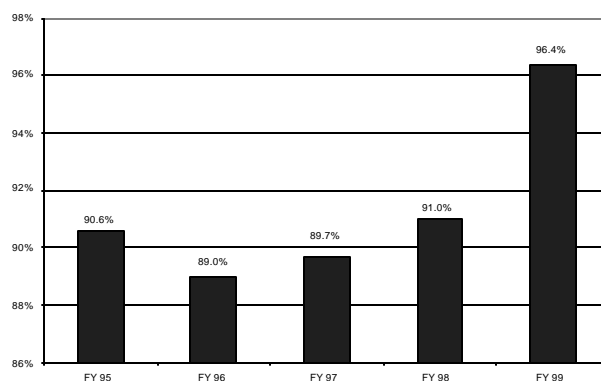
FY 1999 Year End Pending Weaknesses: 6
(Compared with 6 for FY 1998)

Material Weaknesses Corrected in FY 1999: 0
(Compared with 1 in FY 1998)

Prompt Payment:

FY 1999 Rate: 96.4%
(Compared to 91% in FY 1998)

HHS PERCENTAGE OF ON TIME PAYMENTS

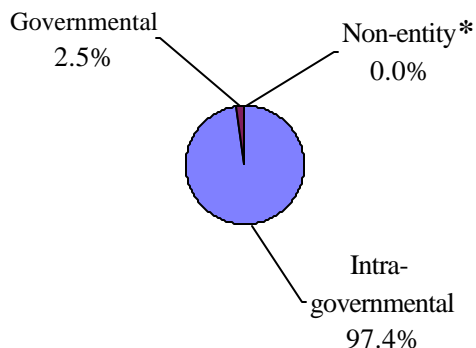


Debt Collection:

Collected \$14.2 billion in FY 1999.
(Compared to over \$13 billion in FY 1998.)

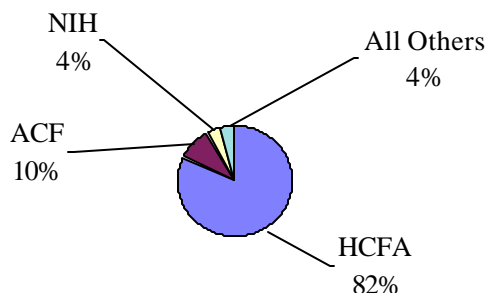
Electronic Funds Transfer Rates:

Payment Type	FY 1997	FY 1998	FY 1999
Grants	100%	100%	100%
Salary	98%	97%	99%
Vendor	42%	77%	85%

HHS FY 1999 Assets

Most HHS assets are Medicare's claims on the U.S. Treasury, and are categorized as Intragovernmental.

* Note: Non-entity assets were far less than .1% of total assets.

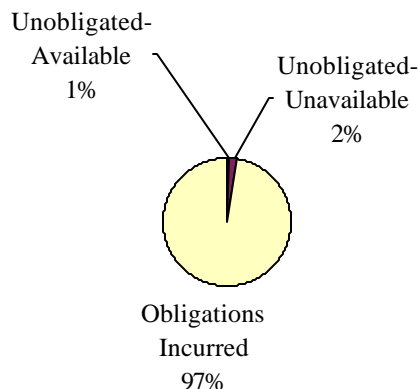
FY 1999 Net Cost of Operations by OPDIV

HCFA, ACF, and NIH account for the largest percentages of HHS' FY 1999 Total Net Cost of Operations.

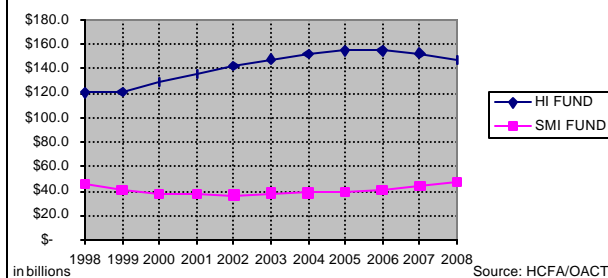
Child Support Enforcement Collections:

FY 1997	FY 1998	FY 1999
\$13.38 billion	\$14.3 billion	\$15.5 billion

Note: Data changes as more information becomes available. This is the data reported as of January 2000.

Status of Budgetary Resources at End of FY 1999

Most of the budgetary resources available to HHS during FY 1999 were categorized as incurred obligations at year end.

Estimated End-Of-Year Trust Fund Balances**Medicare Fee-for-Service Estimated Error Rates:**

Estimate Type	FY 1996	FY 1997	FY 1998	FY 1999 Draft
Mid-point dollar	\$23.2 billion	\$20.3 billion	\$12.6 billion	\$13.5 billion
Mid-point Percentage	14%	11%	7.1%	7.97%